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17 May 1946

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MEMORANDUM

TO:

[Redacted]

FROM:

General Counsel

SUBJECT:

Notes on Conference with Mr. Brewer

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1. In a 2½-hour conference on 15 May, Mr. Brewer, Assistant Administrative Assistant in the Office of the Secretary of War, discussed some of the general problems to be considered in planning for the future of SSU with [Redacted] Mr. Saunders and Mr. Houston. The basic subject may generally be described as the proposed administrative relationships between the War Department and SSU as a semi-autonomous entity within the War Department and the connected relationships with CIC and the other intelligence agencies. It is believed that all parties were generally agreed upon what could and should be done in the long run, and more particularly what might be initiated in the near future.

2. Fundamentally, SSU will constitute one of two sets of facilities furnished by the War Department for the collection of intelligence under the operational control of CIC, the other being G-2. There is to be no direct administrative control by CIC. War Department will furnish certain personnel for the CIC staff, but such personnel will have no direct administrative relationship to SSU. The administrative relationship of SSU to the Office of the Secretary of War was discussed only in connection with vouchered personnel. It was agreed that at present SSU is an interim makeshift, established for purposes of convenience in the Office of the Secretary of War. It is proposed that SSU be entirely liquidated in the near future, but its substance be absorbed into the

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Office of the Secretary, although it will maintain its identity whatever it is called. This process of liquidation and reincarnation would require complete classification in accordance with War Department practices of all vouchered personnel. Individually or in small groups, they would then be terminated entirely by SSU, receiving regular termination notices in each case. There would then be a new appointment in the Office of the Secretary to grades and positions already established by coordination with War Department Personnel. Mr. Brewer suggested that it would be advisable to re-delegate to the proper officer of the new Unit the necessary authorizations for signing appointments and other personnel actions. All such actions will be reviewed by the delegating officer, but immediate control will remain within the Unit.

3. It is proposed further that by using regular War Department Personnel staff to the full, the Unit Personnel Office could be greatly reduced and act primarily as liaison with War Department Procurement through whom all personnel would be obtained. In such case, the Unit would retain its right to review and right to refuse any applicants for security or other reasons. Similarly, the Unit will be given the specific right to request from the Secretary exceptions from normal War Department classification and personnel practices where not consistent with conditions peculiar to the Unit's mission. In connection with the creation of this new status, it was suggested that increased efficiency would be obtained at the time of the new appointments by having such personnel picked up for payroll purposes by regular War Department Payroll Section, thus eliminating the present SSU Payroll Section. It was considered advisable, however, to maintain separate time and attendance reports within the Unit, and to continue the auditing functions of Finance Branch against the possibility that the establishment of a separate unit in the future might require such records.

4. The object to be obtained by the above steps will be to create an operating unit which would be lost to the outside eye, but would maintain within the Office of the Secretary its semi-autonomous status under the direct control of its own Director and under the

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operational supervision and control of the CIG. In such a position it is expected that there will be greater opportunity to use established War Department facilities and eliminate, in addition to Payroll Branch mentioned, certain functions of Services, Finance, Property Board, Procurement, etc., thus reducing administrative personnel and increasing efficiency. It is assumed that Special Funds and all administrative functions in connection therewith, including unvouchered personnel matters, will remain completely separate and under the sole control of the Director. In view of this eventual reduction in personnel and the known requirements of other War Department activities for more building space, the possibilities were discussed of:

(a) Evacuating North Building and retaining Central, Administration, South and ☐, or

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(b) The highly preferable possibility of consolidating all operations on the hill in North, Central, Administration and South, and releasing ☐.

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Such plans must wait on decisions as to reductions in Services, Finance, etc.

5. Obviously the propositions discussed above are tentative, and the program for the necessary clearances and authorizations would have to be carefully worked out, particularly in connection with CIG. However, certain programs, such as classification of personnel and re-adjustment of administrative practices with War Department procedures, could be instituted immediately. Details in connection with increased use of regular War Department facilities would have to be discussed with the various offices concerned, but it is submitted that the general plan set forth above is workable and would reduce office personnel overhead while increasing efficiency.

Lawrence R. Houston

LRH/ml1

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